

**TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE**



FISCAL NOTE

SB 2160 - HB 2243

March 24, 2009

SUMMARY OF BILL: Requires long-term care facilities to annually survey all patients or their families to rate the performance of the facility and provide the results to the Department of Health to post on its Web site. Requires all long-term care tort action related to the provision of health related services to be brought solely as a medical malpractice action. Limits the amount of non-economic damages recoverable in any long-term care tort action to \$300,000. The amount recoverable for punitive damages starts at \$300,000 if the facility was staffing at least three and five tenths (3.5) hours per patient day of direct care staff and increases to an unlimited amount if staffing was below two or more hours per patient day. Punitive damages awarded in a long-term care tort action will be split between the claimants and the long-term care improvement trust fund with both receiving 50 percent. Expenditures from the fund will be used for nurse scholarships, development and operation of a mentoring program, addressing areas of deficient practice, economic and other incentives to enhance stability and career development for direct care staff and the establishment of an advisory board to assist the Department of Health in determining how the funds should be distributed.

ESTIMATED FISCAL IMPACT:

**Increase State Expenditures - \$14,100/One-Time
\$198,900/Recurring**

Assumptions:

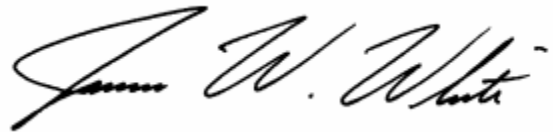
- According to the Department of Health, a public health nurse manager, an administrative services assistant, and a clerk will be needed to provide support to the advisory board, establish and issue nursing scholarships, develop and operate a mentoring program, develop programs to address areas of deficient practice, and establish incentives for career development of the state's long-term care facility direct care workforce.
- These three positions are estimated to result in an increase in one-time expenditures of \$14,100 which includes costs for computers and printers (\$6,000) and office set-up (\$8,100).

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- These positions are estimated to result in an increase in recurring expenditures of \$198,910 which includes salaries (\$116,202), benefits (\$39,508), administrative costs (\$23,700), communications and networking (\$4,400), office leasing (\$12,300), printing (\$1,000), and supplies (\$1,800).
- According to the Bureau of TennCare, third party liability recoveries are limited to amounts specified as reimbursement for medical expenses. Limitation of non-economic recovery will not affect TennCare's ability to recover costs.

CERTIFICATION:

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, reading "James W. White". The signature is fluid and cursive, with the first name "James" and last name "White" clearly legible.

James W. White, Executive Director

/kml